

STATE OF NORTH DAKOTA

DEPARTMENT OF HUMAN SERVICES

Medical Services Division

600 East Boulevard Ave., Dept. 325

Bismarck, ND 58505

Request For Proposal (RFP)

RFP Title: Medicaid Health Management Program

RFP Number: 325-06-10-011

Date of Issue: March 13, 2006

Purpose of the RFP: The North Dakota Department of Human Services Medical Services Division is seeking a qualified agency or agency collaborative to develop and implement a health management program for North Dakota Medicaid recipients.

Offerors are not required to return this form.

Procurement Officer: Karin Mongeon
Medical Services Division

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SECTION ONE INTRODUCTION AND INSTRUCTIONS

1.01

Purpose of the RFP

The North Dakota Department of Human Services Medical Services Division (State) is seeking a qualified agency or agency collaborative (Offeror) to develop and implement a health management program for North Dakota Medicaid recipients (Recipients).

1.02

Contact Person, Telephone, Fax, E-mail

The Procurement Officer is the point of contact for this RFP. All vendor communications regarding this RFP must be directed to the Procurement Officer. Unauthorized contact regarding the RFP with other State employees may result in the vendor being disqualified, and the vendor may also be suspended or disbarred from the State bidders list.

PROCUREMENT OFFICER: **Karin Mongeon, Program Manager**

E-MAIL: **somonk@state.nd.us**

PHONE: **701-328-3598**

FAX: **701-328-1544**

TTY Users call: **7-1-1**

1.03

RFP Schedule

This RFP Schedule represents the State's best estimate of the schedule that will be followed for this RFP. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule will be shifted by the same number of days.

The approximate RFP Schedule is as follows:

- RFP Issued: **March 13, 2006**
- Deadline for receipt of questions and objections related to the RFP: **March 27, 2006, 5:00 PM Central Time**
- Responses to questions / RFP amendments (if required): **April 10, 2006**
- Proposals due by: **May 1, 2006, 5:00 PM Central Time**
- Proposal Evaluation Committee evaluation completed by approximately: **May 19, 2006**
- State issues Notice of Intent to Award a Contract approximately: **May 22, 2006**
- Deadline for Offeror to meet approved vendor registration requirements (See RFP Section 1.07, *Approved Vendor Registration Requirements*): **July 6, 2006**
- Contract start: **September 1, 2006 (This is contingent upon approval for federal waiver authority*)**

*Prior to entering into a contract with the Offeror, the State must submit a waiver application to the Centers for Medicare and Medicaid (CMS) for authority to operate the health management program. The earliest date by which the State will receive waiver approval is September 1, 2006.

1.04

Return Mailing Address and Deadline for Receipt of Proposals

Offerors must submit six copies of their proposal in a sealed envelope or package. Alternate proposals will also be accepted (see Section 7.07, *Alternate Proposals*, for more information).

Offerors must also submit an electronic copy of their proposal on a disk or CD.

Envelopes or packages containing proposals must be clearly addressed as described below to ensure proper delivery and to avoid being opened by the State before the deadline for receipt. Envelopes or packages must be addressed as follows:

**North Dakota Department of Human Services
Medical Services Division
Medicaid Health Management Program (RFP# 325-06-10-011)
Attn: Karin Mongeon
600 East Boulevard Ave., Dept. 325
Bismarck, ND 58505**

Proposals must be received by the State at the location specified no later than **May 1, 2006, 5:00 PM Central Time**. Proposals will not be publicly read at the opening.

Proposals may not be delivered orally, by fax transmission, by other telecommunication or electronic means. Offerors may fax or electronically transmit signed proposals to a third party who must deliver the proposal to the location indicated above by the date and time designated as the deadline for receipt of proposals.

Offerors assume the risk of the method of dispatch chosen. The State assumes no responsibility for delays caused by any delivery service. Postmarking by the due date will not substitute for actual proposal receipt by the State. An Offeror's failure to submit its proposal prior to the deadline will cause the proposal to be rejected. Late proposals or amendments will not be opened or accepted for evaluation.

1.05

Assistance to Offerors with a Disability

Offerors with a disability that need an accommodation should contact the Procurement Officer prior to the deadline for receipt of proposals so that reasonable accommodation can be made.

1.06

Deadline for Receipt of Questions and Objections

Offerors must carefully review this solicitation, the contract and all attachments for defects, questionable, or objectionable material. The Procurement Officer must receive any questions related to the RFP by e-mail (cite the RFP name and number in the e-mail subject line) by the deadline indicated in the RFP Schedule (March 27, 2006, 5:00 PM Central Time) to allow the State to respond and issue any necessary amendments.

This will also help prevent the opening of a defective solicitation and exposure of Offeror's proposals upon which an award could not be made. Protests based on the content of the solicitation will be disallowed if these faults have not been brought to the attention of the Procurement Officer, in writing, before the time indicated in the RFP Schedule.

If the question may be answered by directing the questioner to a specific section of the RFP, then the Procurement Officer may answer the question over the telephone. Other questions may be more complex and may require a written amendment to the RFP. The Procurement Officer will make this determination. Oral communication is considered unofficial and non-binding on the State. The Offeror must confirm telephone conversations in writing.

1.07

Approved Vendor Registration Requirements

Proposals will be accepted from vendors that are not currently approved vendors on the State's bidders list;

however, the successful Offeror will be required to become approved prior to award.

To become an approved vendor, Offerors must: (1) be registered with the North Dakota Secretary of State (fees apply), and (2) submit a completed Bidders List Application to the North Dakota Vendor Registry Office. Prospective Offerors may access the Procurement Vendor Database on-line to verify whether their firm is currently on the bidders list. The bidders list that will be used for this solicitation is commodity code **948-07, Health Administration Services**.

The Procurement Vendor Database, registration instructions and forms are available on-line at: <http://www.state.nd.us/csd/spo/vendor-registry/bidders-list.htm>. Contact the Vendor Registry Office at 701-328-2773 or infospo@state.nd.us for assistance.

The successful Offeror must register and become approved within 45 calendar days from the date of the Notice of Intent to Award. If an Offeror fails to become approved by the time specified by the Procurement Officer, its proposal may be determined to be non-responsive, and its proposal may be rejected.

1.08

Pre-Proposal Conference

No pre-proposal conference will be held for this RFP. Offerors are advised to carefully review the RFP and all attachments and submit all questions to the Procurement Officer by the deadline indicated for submission of questions in the RFP Schedule (March 27, 2006, 5:00 PM Central Time).

1.09

Amendments to the RFP

If an amendment to this RFP is issued, it will be provided to all Offerors that were provided a copy of the RFP via e-mail or mail and to those that have requested a copy of the RFP from the Procurement Officer. Amendments will be posted to the following website: <http://www.nd.gov/humanservices/info/rfp/index.html>.

1.10

News Releases

News releases related to this RFP and program will not be made without prior approval of the Procurement Officer/Program Manager.

1.11

Notice Provided

Notice of this solicitation has been provided in accordance with N.D.C.C. 54-44.4-09.

The RFP and any amendments to the RFP will be posted on the following website: <http://www.nd.gov/humanservices/info/rfp/index.html>.

1.12

Letter of Interest

Vendors interested in receiving any notices related to this RFP are invited to contact the Procurement Officer with the name of their firm, contact person, mailing address, telephone number, fax number, and e-mail address. The sole purpose of the letter of interest is to provide the State with a contact person to receive any notices related to the RFP. Submission of a letter of interest is not a requirement for submitting a proposal.

SECTION TWO BACKGROUND INFORMATION

2.01

Background Information

See Attachment 1 for definitions of terms used in this RFP.

To integrate a Medicaid health management program into current health operations within North Dakota, it is important for the Offeror to understand: (1) North Dakota's geography, population and available health resources, and (2) the North Dakota Medicaid Program in terms of eligibility, benefits and service delivery systems. This information is described in the following paragraphs.

North Dakota Abstract

North Dakota is a rural state with approximately 642,200 residents (2000 Census) who reside over 68,976 square miles in 53 counties. Four counties in North Dakota account for nearly half of the State's total population; these counties include Cass, Burleigh, Grand Forks and Ward.

Table 1 demonstrates North Dakota's population by race and Hispanic origin. (Percentages do not equal 100 percent due to rounding.)

Table 1

Race	Percentage
White	92.4%
Black/African American	0.6%
American Indian/Alaska Native	4.9%
Asian	0.6%
Hispanic vs. Non Hispanic	
Hispanic	1.2%

The elderly (age 65 and older) account for 15 percent of North Dakota's total population. Due to the aging of "baby boomers" and the out-migration of North Dakota's young people, the elderly population is expected to increase significantly over the next ten to 15 years.

The American Indian population is the largest minority group in the State. Approximately 72 percent of all American Indians live on one of four reservations. Indian Health Services (IHS) is the primary health care provider on each reservation. Health management on reservations may be complicated by jurisdictional ambiguity between State and tribal entities.

Lutheran Social Services (LSS) of North Dakota is the agency responsible for providing resettlement services for refugees entering the state. The LSS agency located in Fargo (eastern North Dakota near the Minnesota border) is the agency that resettles the majority of refugees entering the State. LSS coordinates with a federally funded community healthcare clinic in Fargo, Family Health Care Center (FHCC), to assure appropriate medical evaluation of each refugee. When FHCC identifies a refugee with a public health concern, a referral is made to Fargo-Cass Public Health Unit (FCPHU), which is located in the same building. Barriers attributing to the difficulties encountered in providing health care to refugee populations include cross cultural communication and further relocation out of the Fargo area. Health care providers working directly with refugees have expressed the work to be both difficult and time consuming due to these barriers.

For more than 30 years, migrant families, primarily of Hispanic origin, have traveled to and within North Dakota, primarily in the State's sugar beet and potato fields. Due to the mobile nature of these families, it is difficult to determine the number of migrants that enter the State during any given harvest season. Deprivation caused by frequent mobility and poverty further complicates health management in this population. Migrant farm workers reside in the State for only a short time before relocating making screening, treatment, and follow-up difficult. Migrant Medical Services, Inc. located in Moorhead, MN (directly across the border from Fargo, ND) provides medical care to migrant individuals who seek services.

The North Dakota Homeless Coalition estimates that there are 500 people who are homeless in the state of North Dakota on any given night of the year. It is difficult to find accurate data because these individuals are so mobile.

The delivery of health care in rural areas is complex and time-consuming. North Dakota residents commonly travel distances 50 miles or greater to receive healthcare. Conversely, health care workers providing home- and community-based health care must travel long distances which affects the number of clients the provider is able to see on any given day.

North Dakota Medicaid

The North Dakota Department of Human Services (DHS) Medical Services Division is the single State agency responsible for the administration of the North Dakota Medicaid Program authorized under Title XIX of the Social Security Act. Medicaid is a federal and state funded assistance program that provides health care coverage to certain low-income and medically vulnerable individuals of all ages.

About 52,000 to 54,000 low-income children, families, pregnant women, elderly and disabled Recipients are eligible for North Dakota Medicaid at any given time. Approximately 40,000 of these Recipients are actively receiving medical services.

Table 2 demonstrates North Dakota's Medicaid population by gender, age and race. (Percentages do not equal 100 percent due to rounding.)

Table 2

Gender	Percentage
Female	61.3%
Male	38.7%
Age	
Under age 1	5.0%
1-5	13.2%
6-18	20.2%
19-21	3.7%
22-44	22.6%
45-64	13.9%
65-74	6.5%
75-84	7.4%
85 and above	7.4%
Race	
White	79.7%
Black/African American	2.0%
American Indian/Alaska Native	17.9%
Asian	0.4%
Unknown	0.2%

To qualify for North Dakota Medicaid, a person has to meet financial eligibility criteria established by the program and be either: (1) pregnant, (2) blind, disabled or age 65 or older, (3) a member of a family with children, (4) age 21 or younger or age 65 or older and receiving services at the State Hospital, (5) an adopted child younger than 21 who has special health needs or meets other criteria, or (6) a woman screened through the North Dakota Department of Health's *Women's Way Program* who needs treatment for breast or cervical cancer.

North Dakota Medicaid requires monthly eligibility determination. Health management in this environment may be challenging due to periods of ineligibility for some Recipients. Eligibility determination is conducted through county social service agencies. Recipients with a liability (spend down) amount must incur healthcare services in this amount prior to becoming eligible for Medicaid for the month.

North Dakota Medicaid reimburses for the following services: inpatient hospital; outpatient hospital; laboratory; physician; radiology; long-term care (nursing facility and home- and community-based programs); intermediate care facility for the mentally retarded; early and periodic screening, diagnosis and treatment (EPSDT or *North Dakota*

Health Tracks) for those under age 21; medical or remedial care provided by other licensed practitioners within their scope of practice as defined by State law; home health care; hospice care; private duty nursing; dental; optometric; podiatric; physical therapy; occupational therapy; speech, hearing and language therapy; prescribed drugs; durable medical equipment; orthotics/prosthetics; family planning; chiropractic; transportation and personal care.

Recipients are served through fee-for-service (FFS) and managed care delivery systems. North Dakota Medicaid requires families and pregnant women meeting poverty or Temporary Assistance for Needy Families (TANF) eligibility criteria to enroll in managed care (approximately 60 percent of the Medicaid population). Managed care options consist of a statewide primary care case management (PCCM) program or a managed care organization (MCO) that serves a tri-county area (Grand Forks, Pembina and Walsh counties) in eastern North Dakota. Recipients in this tri-county area can select either PCCM or the MCO. There are approximately 800 Recipients enrolled in the MCO.

Medicaid operations including managed care enrollment, provider enrollment, the Medicaid toll-free telephone line for provider and Recipient assistance, utilization review, medical necessity reviews, transportation authorization, disability determination, etc. are not outsourced but completed through State Medicaid and/or county social service staff. (A contractor assists with some aspects of utilization and medical necessity review.)

Medicaid serves a disproportionate share of individuals with disabilities or chronic disease compared to non-public health insurance plans. As a result, the 2005 North Dakota State Legislature appropriated funds for Medicaid to develop and implement a health management program to improve the quality of healthcare received by Recipients and to stabilize Medicaid spending.

Additional Medicaid Program information is provided in Attachment 2.

2.02

Budget

The State has a maximum of \$765,000 to implement and maintain the health management program through the contract year (contract start date - June 30, 2007).

Proposals in excess of this amount will be considered unresponsive.

SECTION THREE SCOPE OF WORK

3.01

Scope of Work

The Offeror will implement and maintain a health management program for the North Dakota Medicaid population. The program objective is for Recipients to become better managers of their health resulting in improved health status and a decrease in unnecessary or inappropriate health care utilization and cost.

Note: The Offeror must submit a second budget reflecting the cost of potential program expansion in the next biennium. "Program Expansion" expectations are identified in boxes like this throughout this *Scope of Work*.

The health management program described here will likely qualify as a Prepaid Ambulatory Health Plan (PAHP) and will be subject to federal regulations pertaining to PAHPs. These federal regulations are referenced periodically within this RFP and can be found at the following link:
http://www.access.gpo.gov/nara/cfr/waisidx_04/42cfr438_04.html (Title 42 of the Code of Federal Regulations [CFR], Part 438, *Managed Care*)

The State will be submitting a waiver application to the Centers for Medicare and Medicaid (CMS) to waive applicable sections of 1902 of the Social Security Act to allow for health management program administration as described here. A contract between the State and the Offeror for health management services cannot be initiated until the waiver has been approved by CMS (see RFP Section 3.07, *Contract Schedule*, for more information).

Health Management Program Components

The health management program will include the following components.

(1) Health management services available to Recipients with select chronic conditions.

- a. **A toll-free telephone health information line (THIL).** The THIL will be available during and after regular clinic hours (ideally, twenty-four hours per day, seven days per week [24/7]). The THIL will be staffed with licensed nurses who will assist Recipients, using clinically sound algorithms, to make informed decisions about health issues and accessing medical services (to decrease unnecessary hospitalizations and emergency room visits). The THIL will be available to assist Recipients and/or their caregivers with health-related questions and will allow for both in- and out-bound calls. A physician must be available by phone for consultation to the THIL nurses during THIL hours of operation.
- b. **Disease management (DM).** The Offeror must choose one or more of the following conditions (identified among the top 10 Recipient conditions resulting in high Medicaid costs) to include in the program within budget: **asthma, chronic obstructive pulmonary disease (COPD), congestive heart failure (CHF) and diabetes.** (See Attachment 5 for more information pertaining to Recipient costs associated with these conditions.)

DM will provide for a system of coordinated health care interventions and communications (may include face-to-face, telephone, e-mail, videoconference, workshops, support groups and other methods to allow for adequate communication considering the State's rural nature) that result in improved self-care by the Recipient. DM will include: (1) intensive coordination with the Recipient's primary care provider (i.e., "medical home"), (2) care planning, care coordination, follow-up and monitoring by licensed nurse case managers, and (3) involvement from a "team" of ancillary medical professionals from the Recipient's "medical home" (this may include dietitians, respiratory therapists, pharmacists, etc. as appropriate considering the Recipient's condition).

DM must be provided in accordance with **clinical practice guidelines** for DM derived from clinical research and approved by physicians and national medical associations or organizations. DM must provide for the management of Recipients with comorbidities.

Oral interpreter services for each non-English-speaking Recipient must be made available.

For improved coordination of these two services with existing health systems in the State and to facilitate acceptance of the services by Recipients and providers, the Offeror must subcontract or hire local nurses (i.e., residents of North Dakota) to conduct the services. The nurses providing DM must have appropriate expertise and training in DM. The Offeror must assure preliminary and ongoing training for the DM and THIL nurses. Training in behavior change techniques, motivational interviewing and assessing patient activation will be important. The nurses may also assume responsibilities associated with program administration as necessary.

Program Expansion: The THIL will be available 24/7 for all Medicaid eligible Recipients (approximately 54,000) to answer health-related questions and potentially decrease unnecessary or inappropriate health care utilization and cost. The THIL will also be used as an avenue to conduct health risk assessment to identify Recipients who may benefit from DM. And, the THIL will be coordinated with existing State resources to increase the State's syndromic surveillance capacity to improve early detection of outbreaks, both naturally occurring and attributable to biologic terrorism.

DM will be expanded to manage all Recipients with: asthma, COPD, CHF, diabetes, depression and obesity.

(2) Recipient enrollment and disenrollment processes.

Enrollment

Eligible Recipients cannot be mandated to participate in the health management program but should be automatically enrolled with the option to "opt out" at any time.

Excluded Populations

Recipients excluded from enrollment in the health management program are those receiving health management through other means including Recipients:

- (1) Enrolled in a Medicaid managed care organization (MCO);
- (2) In a nursing facility or intermediate care facility for the mentally retarded (ICF-MR);
- (3) Receiving services related to transplants, HIV/AIDS, cancer, end stage renal disease and hospice.

Recipients receiving Medicare benefits are also excluded.

Disenrollment

Recipients may opt-out, or disenroll, at any time. The Offeror will process all program disenrollments. This includes disenrollments requested by the Recipient and the Offeror.

See 42 CFR, 438.10, *Information requirements*, and 438.56, *Disenrollment: Requirements and limitations*, for more information pertaining to enrollment and disenrollment requirements.

Program Expansion: Enrollment/disenrollment capacity will be increased as necessary to accommodate program expansion to include Recipients with asthma, COPD, CHF, diabetes, depression and obesity.

- (3) **A risk stratification process** to manage Recipients based on their need and to assign them to an appropriate level of care within the health management program.

Program Expansion: The program will incorporate predictive modeling to identify Recipients who may benefit from health management services prior to deterioration in health status resulting in increased medical costs.

- (4) **Provider education** that: (1) informs providers about the existence and purpose of the Medicaid health management program to increase provider “buy-in” and utilization of the program, (2) develops provider knowledge of, support for and use of science-based clinical practice guidelines for DM, and (3) facilitates coordination with primary care providers (the “medical home”) for provision of health management services.

Provider education will be accomplished through a multi-faceted approach that includes the provision of education materials (print and electronic versions). Provider education will be provided by nurse case managers with leadership and direct involvement from local “physician champion(s)” especially for provider education related to clinical practice guidelines for DM.

Program Expansion: Provider education capacity will be increased as needed to accommodate the expansion of THIL and DM services.

- (5) **Recipient education** that facilitates self-management of the Recipient’s health. The goal of Recipient education process will be to: (1) improve the Recipient’s understanding of his/her condition and how to use medical resources, including medications, appropriately, (2) prevent emergency medical situations by recognizing acute symptoms and obtaining appropriate intervention, and (3) empower the Recipient to take an active role in managing their health.

Recipient education will be accomplished through a multi-faceted approach including provision of education materials (print and electronic versions) and methodology that addresses language and health literacy barriers. Recipient education will be an integral part of the health management services (THIL and DM) provided to Recipients.

Program Expansion: Recipient education capacity will be increased as needed to accommodate the expansion of THIL and DM services.

- (6) **Computer Information System (CIS)** capability to handle the data needed for operating and monitoring the program. The CIS must meet all Health Insurance Portability and Accountability Act (HIPPA) requirements.

The CIS should:

- (1) Receive, store, analyze and report on Recipient and provider specific data in order to meet program requirements for service delivery and reporting, including:
 - a. Tracking Recipient contacts (face-to-face, telephone, e-mail, videoconference), medical events, clinical interventions and outcomes;
 - b. Sharing health information with providers to assure that all involved parties have a comprehensive picture of a Recipient's health status; and
 - c. Generating reports to both the State and providers as described under "Reporting."
- (2) Allow for access to Recipient-level health information by THIL and DM nurses.
- (3) Accept claims data from the State for identification of Recipients eligible for the health management program for enrollment purposes, to stratify Recipients for level of care and to identify areas for improvement in health care (i.e., identify gaps between the care recommended and the care received, monitor health service utilization and appropriateness, etc.).
- (4) Include a scalable database repository that supports large data sets and exponential growth in total database size over the life of the contract.

Program Expansion: CIS capacity will be increased as needed to accommodate the expansion of THIL and DM services.

- (7) **A program evaluation process** developed by the State's program and research staff prior to the program "start date", with input from the Contractor as requested by the State.

The objective of the evaluation will be to identify whether the health management program has resulted in improved health outcomes for Recipients and cost savings to the State. Evaluation will include defining and measuring progress toward defined performance and health status indicators and development and implementation of Recipient knowledge surveys and both Recipient and provider satisfaction surveys.

Program evaluation will begin immediately upon program implementation and continue through the length of the program. The Contractor will be required to collect and submit the program data necessary to meet the needs of the defined evaluation process and any other data requested by the State.

Program Expansion: Program evaluation capacity will be increased as needed to accommodate the expansion of THIL and DM services.

- (8) **A marketing/outreach plan** to promote Recipient and provider awareness and utilization of the program. An integral component of the marketing plan will be "branding". The Offeror will develop an appropriate and creative program name and logo that reflects the program's purpose and facilitates marketing of the program to providers and Recipients.

The Offeror will develop, reproduce and distribute marketing materials as specified in the plan. The plan should include development, implementation and use of a program website with separate web pages for Recipient and provider information. All materials must receive prior approval by the State before use.

Program Expansion: Marketing/outreach capacity will be increased as needed to accommodate the expansion of THIL and DM services.

- (9) **Coordination with providers, contractors, programs and other stakeholders** to avoid duplication of services and to assure a coordinated and widely accepted approach to health management service delivery. See Attachment 2 for information and recommendations for coordination with North Dakota providers and stakeholders, Medicaid contractors and other programs/services provided through DHS.

Program Expansion: Coordination with these entities will be increased as needed to accommodate the expansion of THIL and DM services.

Reporting

The Contractor will report the following items to the State as specified.

- Number of Recipients enrolled in the health management program (monthly)
- Number of Recipients disenrollments and reason for disenrollment (monthly)
- Number of Recipients with co-morbidities and description of the co-morbidities (monthly)
- Number of Recipients receiving DM (monthly)
- Number of Recipients who called the THIL and the reason for the call (monthly)
- Number of Recipients contacts by the Contractor and method of contact (monthly)
- Number of “hits” on the health management program website (monthly)
- Number of hospital admissions (quarterly)
- Number of inpatient days per admission (quarterly)
- Number of emergency visits (quarterly)
- Results of progress toward defined performance indicators (quarterly)
- Self-assessment by the Contractor describing efforts and level of performance in meeting contract activities (quarterly)
- Case studies of select Recipients that describe positive outcomes or barriers encountered (semi-annually)
- Results of Recipient knowledge surveys (semi-annually)
- Results of Recipient satisfaction surveys (semi-annually)
- Results of Provider satisfaction surveys (semi-annually)

The Contractor will report the following items to the primary care provider semi-annually.

- Number of the primary care provider’s patients served by the Medicaid health management program
- Number of contacts by the Contractor and method of contact per Recipient
- Results of the primary care provider’s efforts in providing care to each Recipient consistent with clinical practice guidelines

The Contractor must report Recipient-level information upon request by the State.

Reports will be due 45 days after the end of a reporting period. Quarterly reports will reflect the following schedule: January 1-March 31, April 1-June 30 and July 1-August 31, October 1-December 31. Semi-annual reports will reflect January 1-June 30 and July 1-December 31. The report for the last quarter of the contract period (i.e., April 1-June 30, 2007) must be submitted by August 15, 2007 (after the end of the contract period).

Reporting activities are subject to change at the State’s discretion. Payment to the Contractor is contingent upon the State’s receipt of specified reports on schedule; late or insufficient reports will result in the State withholding payment until adequate reports are received.

Transfer of acquired program data to a subsequent Contractor is required, if necessary.

Contractor Responsibility

- Full implementation of the health management program by the date specified in the proposal. The Offeror must meet the deadlines they provide in the time illustration in Section 6.04, *Program Scope*, paragraph b, related to the program development, rollout, the official program start date and maintenance of the program through the end of the contract period (June 30, 2007). Missed deadlines will result in the State withholding payment until the work has been satisfactorily completed. (The Offeror will have the opportunity to revise this timeline to reflect the actual contract start date.)
- In cooperation with the State, assure federal requirements pertaining to PAHPs are applied to the health management program. Federal requirements include applicable portions of the following sub-parts of 42 CFR, Part 438, *Managed Care*.
 - Contract requirements
 - Information requirements
 - Provider discrimination prohibited
 - Enrollee rights and protections

- Quality assessment and performance improvement
- An enrollee's right to a fair hearing from the State
- Prohibited affiliations with individuals debarred by Federal agencies
- Provide testimony to the North Dakota State Legislature as requested by the State regarding the status and results of the health management program. (The North Dakota State Legislature convenes biennially. The next session is January 1-April 30, 2007.)
- Continue the health management program through the following biennium (July 1, 2007-June 30, 2009) – contingent upon satisfactory performance during the initial contract period and legislative appropriation.
- All other responsibilities as specified throughout the RFP

State Responsibility

- Provide claims data transmittals to the Contractor as specified to meet program needs
- Provide program and research staff to develop and implement the program evaluation process
- Monitor Contractor activities to assure accurate and complete provision of services to the State

3.02

Location of Work

Administration of the health management program will occur at the Contractor's business location. And, as stated in Section 3.01, *Scope of Work*, (1) *Health Management Services*, the Contractor will hire or contract local nurses (i.e., North Dakota residents) to conduct health management program activities including the THIL, DM, provider and Recipient education and program administration as assigned. Nurses will be strategically located throughout the State as needed to accomplish health management program activities.

The State may have office space available for the nurses at several of the eight State-funded Regional Human Service Centers located throughout the State. However, for the purpose of proposal and budget preparation, the Offeror should plan to provide for the office space necessary to accomplish the *Scope of Work*. Provision of office space by the State will be negotiated with the Contractor prior to finalizing the contract.

3.03

Prior Experience

The Contractor must have prior experience with successful administration of at least one significant health-related project or program.

3.04

Required Licenses

Nurses hired or contracted by the Contractor must hold valid licenses through the North Dakota Board of Nursing.

3.05

Federal Requirements

Because payment made by the State to the Contractor will be other than the Medicaid State Plan rate, the health management program will likely qualify as a PAHP and will be subject to federal regulations pertaining to PAHPs. These regulations can be found at the following link:

http://www.access.gpo.gov/nara/cfr/waisidx_04/42cfr438_04.html (42 CFR, Part 438, *Managed Care*)

The Offeror must identify other federal requirements that apply to the proposal, the evaluation or the contract.

3.06

Contract Schedule

This contract schedule represents the State's best estimate of the schedule that will be followed. If a component of this schedule, such as the contract start date, is delayed, the rest of the schedule will be delayed.

The approximate contract schedule is as follows:

- Contract start: **Contingent upon approval for federal waiver authority***
- Program start date: **As specified by the Contractor (presuming a contract start date of September 1)**
- Contractor submits monthly progress reports beginning: **45 days after the program start date**
- Contractor submits quarterly reports beginning: **45 days after the first quarter of the program**
- Contractor submits semi-annual reports beginning: **August 15, 2007 (for January 1-June 30, 2007)**

*Prior to entering into a contract with the Offeror, the State must submit a waiver application to CMS for authority to operate the health management program. The earliest date by which the State will receive waiver approval is September 1, 2006.

SECTION FOUR GENERAL CONTRACT INFORMATION

4.01

Contract Term, Extension and Renewal Options

The State intends to enter into a contract with an effective date beginning September 1, 2006 (contingent upon approval for federal waiver authority) and ending June 30, 2007.

This contract may be renewed upon satisfactory completion of the initial contract term. The State reserves the right to execute up to one option to renew this contract under the same or negotiated terms and conditions for a period of 24 months. This contract will not automatically renew. The State will provide written notice to the Contractor of its intent to renew this contract at least 60 days before the scheduled contract expiration date.

Approval or continuation of a contract resulting from this solicitation is contingent upon continuing appropriation. The contract may be terminated by the State or modified by agreement of both parties in the event funding from federal, state, or other sources is: (1) not obtained or continued at sufficient levels, or (2) obtained in an amount sufficient to expand the program.

4.02

Standard Contract Provisions

The successful Offeror will be required to sign and submit the contract attached to this RFP (Attachment 3). The Contractor must comply with the contract provisions set out in this document. Any objections to the contract provisions must be set out in the Offeror's proposal. No alteration of these provisions will be permitted without prior written approval from the State.

Offeror's are instructed to contact the Procurement Officer in writing by the deadline set for questions (March 27, 2006, 5:00 PM Central Time) with any concerns regarding the contract provisions.

4.03

Proposal as a Part of the Contract

Part or all of this RFP and the successful proposal may be incorporated into the contract.

4.04

Additional Terms and Conditions

The State reserves the right to add, delete, or modify terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

4.05

Supplemental Terms and Conditions

Proposals including supplemental terms and conditions will be accepted, but supplemental conditions that conflict with those contained in this RFP or that diminish the State's rights under any contract resulting from the RFP will be considered null and void. The State is not responsible for identifying conflicting supplemental terms and conditions before issuing a contract award. After award of contract:

- (a) if conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and
- (b) if the State's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

4.06

Contract Approval

This RFP does not, by itself, obligate the State. The State's obligation will commence when the contract is approved by the State. Upon written notice to the Contractor, the State may set a different starting date for the contract. The State will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the State.

4.07

Contract Changes - Unanticipated Amendments

During the course of this contract, the Contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the Program Manager designated by the State will provide the Contractor a written description of the additional work and request the Contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of amendments.

The Contractor will not commence additional work until the Program Manager has secured any required State approvals necessary for the amendment and issued a written contract amendment, approved by the State.

4.08

Taxes and Taxpayer Identification

The Contractor must provide a valid Vendor Tax Identification Number as a provision of the contract.

The State is not responsible for and will not pay local, state, or federal taxes. The State sales tax exemption number is E-2001, and certificates will be furnished upon request by the State.

A Contractor performing any contract, including service contracts, for the United States Government, State of North Dakota, counties, cities, school districts, park board or any other political subdivisions within North Dakota is not exempt from payment of sales or use tax on material and supplies used or consumed in carrying out contracts. In these cases, the Contractor is required to file returns and pay sales and use tax just as required for contracts with private parties. Contact the North Dakota Tax Department at 701-328-3470 or visit its website at www.nd.gov/tax for more information.

A Contractor performing any contract, including a service contract, within North Dakota is also subject to the corporation income tax, individual income tax, and withholding tax reporting requirements, whether the contract is performed by a corporation, partnership, or other business entity, or as an employee of the Contractor. In the case of employees performing the services in the State, the Contractor is required to withhold state income tax from the employees' compensation and remit to the State as required by law. Contact the North Dakota Tax Department at 701-328-3125 or visit its web site for more information

4.09

Proposed Payment Procedures

The State will make payments based on a negotiated payment schedule. The Contractor will submit periodic invoices based on this negotiated payment schedule however no payment will be made by the State unless the Contractor has submitted required reports consistent with the State's defined reporting schedule. Late or insufficient reports will result in the State withholding payment until adequate reports are received.

The State will not make any advanced payments before performance by the Contractor under this contract.

4.10

Contract Personnel

The Program Manager designated by the State must approve any change of the Contractor's project team members named in the proposal, in advance and in writing. Personnel changes that are not approved by the State may be grounds for the State to terminate the contract.

4.11

Right to Inspect Place of Business

At reasonable times, the State may inspect those areas of the Contractor's place of business that are related to the performance of a contract. If the State makes an inspection, the Contractor must provide reasonable assistance.

4.12

Inspection & Modification

The Contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the Program Manager designated by the State. The State may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. Should the Program Manager determine that corrections or modifications are necessary in order to accomplish its intent, the Program Manager may direct the Contractor to make changes. The Contractor will not unreasonably withhold changes.

Substantial failure of the Contractor to perform the contract may cause the State to terminate the contract. In this event, the State may require the Contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

4.13

Termination for Default

If the Program Manager designated by the State determines that the Contractor has refused to perform the work or has failed to perform the work with diligence as to ensure its timely and accurate completion, the State may, by providing written notice to the Contractor, terminate the Contractor's right to proceed with part or all of the remaining work.

SECTION FIVE EVALUATION CRITERIA AND CONTRACTOR SELECTION

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS CONTRACT IS 100

5.01

Understanding of the Project (5 Points)

Proposals will be evaluated against the following questions.

- (1) Has the Offeror demonstrated a thorough understanding of the health management program and the associated deliverables, schedules and contract terms and conditions? (0-1 point)
- (2) How well has the Offeror identified pertinent issues and potential problems related to the project? (0-1 point)
- (3) Has the Offeror demonstrated knowledge, expertise and innovation in health management program administration by offering solutions to identified issues and problems related to the project? (0-2 points)
- (4) Is the proposal submitted responsive to all material requirements in the RFP? (0-1 point)

5.02

Program Scope (50 Points)

Proposals will be evaluated against the following questions.

- (1) Does the Offeror's proposed program include DM for Recipients with Asthma? COPD? CHF? Diabetes? (Five points will be awarded for each condition included in the program for a maximum of 20 points.)
- (2) Does the Offeror propose a logical approach to program development, implementation and maintenance? (0-10 points)
- (3) Does the Offeror's approach achieve the health management program's objective for Recipients to become better managers of their health resulting in improved health status and a decrease in unnecessary or inappropriate health care utilization? (0-10 points)
- (4) Does the Offeror demonstrate accountability for the performance of the health management program through their approach to program development, implementation, maintenance, reporting and evaluation? (0-5 points)
- (5) Does the Offeror demonstrate a desire and ability to effectively coordinate health management services with North Dakota providers to assure success of the program? (0-5 points)

5.03

Program Administration (25 Points)

Proposals will be evaluated against the following questions.

- (1) How well does the management plan support all of the project requirements and logically lead to the deliverables required in the RFP? (0-10 points)
- (2) How well is the organization, lines of authority and accountability of the project team completely and clearly defined? (0-5 points)
- (3) To what extent does the Offeror already have the hardware, software, equipment, and licenses necessary to perform the contract? (0-5 points)
- (4) Does it appear that the Offeror can meet their proposed program "start date"? (0-5 points)

5.04

Experience and Qualifications (15 Points)

No points will be awarded for meeting the minimum amount of experience required which is prior experience with successful administration of at least one significant health-related project or program.

Proposals will be evaluated against the following questions.

Experience

- (1) Does the Offeror have experience other than successful administration of one significant health-related project or program? (0-5 points)

Qualifications

- (2) Do the designated personnel appear to have the appropriate education and experience to work on the project? (0-5 points)
- (3) How successful is the general history of the agency regarding timely and successful completion of projects? (0-5 points)

5.05

Contract Cost (5 Points)

Because cost proposals will likely be at or around \$765,000, only five points will be assigned to cost. Any prompt payment discounts terms proposed by the Offeror will not be considered in evaluating cost. The cost amount used for evaluation may be affected by the application of North Dakota preference laws (N.D.C.C. § 44-08-01).

The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be evaluated according to the method set forth in Attachment 4.

5.06

Site Inspection of Offeror's Facility

The State may conduct on-site visits to the Offeror's firm or Offeror's customer where comparable service is being performed to evaluate the Offeror's capacity to perform the contract. An Offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide the State reasonable access to relevant portions of its work sites. Individuals designated by the State will conduct the site inspection at the State's expense.

SECTION SIX PROPOSAL FORMAT AND CONTENT

6.01

Proposal Format and Content

The State discourages overly lengthy and costly proposals. In order for the State to evaluate proposals fairly and completely, Offerors must follow the format specified in this section and concisely provide all information requested.

6.02

Introduction

Proposals must include the complete name and address of the Offeror's firm and the name, e-mail address, mailing address, and telephone number of the person the State should contact regarding the proposal.

Proposals must confirm that the Offeror will comply with all provisions in this RFP. The proposal must disclose any instances where the firm or any individuals working on the contract has a possible conflict of interest and, if so, the nature of that conflict (e.g. employed by the State of North Dakota).

Proposals must be signed by a company officer empowered to bind the company. An Offeror's failure to include these items in the proposals may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

6.03

Understanding of the Project

Offerors must provide comprehensive narrative statements that illustrate their understanding of the requirements of the project, deliverables, schedules, and contract terms and conditions. Offerors must also identify any pertinent issues and potential problems related to the project and offer solutions to these issues and problems.

Information provided in this section may not include reiteration of language from the RFP.

6.04

Program Scope

Offerors must provide comprehensive narrative statements that describe the health management program the Offeror will provide within budget using the following outline.

a. The health management program will include the program components described in Section 3.01, *Scope of Work, Health Management Program Components*, and listed below. The Offeror must provide information about each component in adequate detail for the State to understand the health management program's overall administration and operation. The Offeror must also provide information specific to, but not limited to, the items under each component.

(1) Health management services

(a) Toll-free telephone health information line (THIL)

- Ideally, the THIL will be available to Recipients 24/7. If the Offeror is unable to provide 24/7 THIL operation within budget, the Offeror must identify the timeframe the THIL will be available to Recipients (for example, 8 AM to midnight each day, including weekends).
- Describe THIL staffing. Include information about whether local THIL nurses will be hired or subcontracted by the Offeror and the process the Offeror will use to accomplish this. Also, include information about how the Offeror will provide for physician consultation to THIL nurses during hours of THIL operation.
- Describe how the Offeror will provide for appropriate training of the THIL nurses.
- Provide information about the clinically sound algorithms to be used by THIL nurses.
- Describe the technical resources and system support that will be available to the THIL project team.

(b) Disease management (DM)

- Identify the Recipient conditions to be included in the program (one or more of the following conditions must be included: asthma, COPD, CHF, diabetes. Preference will be given to Offerors that include all four conditions).
- Describe DM staffing. Include information about whether local DM nurses will be hired or subcontracted by the Offeror and the process the Offeror will use to accomplish this.
- Describe how the Offeror will provide for appropriate training of the DM nurses.
- Include as an attachment, copies of the clinical practice guidelines to be used for each condition.
- Describe how the Offeror will utilize technology including telephone, e-mail, videoconference or other methods to facilitate communication between DM Recipients and providers to allow for adequate communication considering the State's rural nature.
- Describe how the Offeror will utilize alternative methods for education and support, for example, workshops or support groups.
- Address the issue of monthly eligibility determination for North Dakota Medicaid and offer solutions to the State to assure uninterrupted DM services to eligible Recipients.
- Describe how DM and the THIL will be integrated.
- Describe the technical resources and system support that will be available to the DM project team.

(2) Recipient enrollment and disenrollment processes

- Describe the enrollment and disenrollment processes the Offeror will provide.

- Describe how the processes are consistent with federal regulations.
- (3) A risk stratification process
 - Describe the risk stratification process the Offeror will use including the level of care stratifications (for example, high, medium and low) and the health management services the Recipient will receive within each identified level.
- (4) Provider education
 - Describe the process and materials the Offeror will use for provider education to accomplish the goals identified in Section 3.01, *Scope of Work, Health Management Program Components #4*.
 - Describe how the Offeror will include “physician champion(s)” in educating providers about DM clinical practice guideline.
- (5) Recipient education
 - Describe the process and materials the Offeror will use for Recipient education to accomplish the goals identified in Section 3.01, *Scope of Work, Health Management Program Components #5*.
 - Provide specific discussion related to the methodology to address Recipient language and literacy barriers.
 - Describe the efforts the Offeror will undertake to provide culturally-competent health management services.
- (6) Computer Information System capability
 - Describe the Offeror’s CIS capability to accomplish the activities identified in Section 3.01, *Scope of Work, Health Management Program Components #6* and any other capabilities the CIS may have.
- (7) Program evaluation
 - Information on the process for developing a program evaluation is provided in Section 3.01, *Scope of Work, Health Management Program Components #7*. The Offeror must include in the proposal, information about their ability to meet evaluation and reporting requirements (reporting requirements are described in Section 3.01, *Scope of Work, Reporting*).
- (8) Marketing/outreach
 - Describe the process and materials the Offeror will use for marketing and outreach as described in Section 3.01, *Scope of Work, Health Management Program Components #8*.
- (9) Coordination with providers, contractors, programs and other stakeholders
 - Describe how the Offeror will coordinate the health management program with these entities. Specifically address whether the Offeror will use a regional approach for program administration as suggested in Attachment 2 (under “Stakeholders”).

b. The Offeror must provide a time illustration detailing program development, rollout, the official “start date” and maintenance of the program beginning September 1, 2006 through the end of the contract period (June 30, 2007). This time illustration must include significant events related to specific health management components. For example, the Offeror may include in the time illustration deadlines specific to their marketing/outreach plan or planned events related to coordination with providers, contractors, programs or stakeholders.

As discussed in Section 3.01, *Scope of Service*: (1) missed deadlines associated with this time illustration will result in the State withholding payment until the applicable deadline has been satisfactorily met, and (2) the Offeror will have the opportunity to review this timeline to reflect the actual contract start date.

6.05

Program Administration

Offerors must provide comprehensive narrative statements that set out the management plan it intends to follow to develop, implement and maintain the proposed health management program. Offerors must provide a narrative and organizational chart describing the organization of the project team. The organizational chart must illustrate the lines of authority, designate the individual responsible and accountable for the completion of each component and deliverable, and indicate where the work will be performed.

6.06

Experience and Qualifications

Experience

Offerors must describe the experience of their agency in successful administration of at least one significant health-related project or program and provide the name and phone number of the project or program manager as a reference and two letters of reference from previous clients. The State reserves the right to contact any references provided by the Offeror.

Offerors must also provide: (1) information that displays the agency's history with completing projects successfully and within defined timeframes, and (2) information pertaining to any accreditation(s) the agency may have through the National Committee for Quality Assurance (NCQA), the Joint Commission for Accreditation of Healthcare Organizations (JCAHO), the Accreditation Association for Ambulatory Healthcare (AAAHHC) or other entities.

Qualifications

Offerors must provide information specific to the personnel assigned to accomplish the work called for in this RFP. Offerors must provide a narrative description of the organization of the project team and a personnel roster that identifies each person who will work on the contract and provide the following information about each person listed.

- (a) Title
- (b) Resume
- (c) Description of the type of work the individual will perform
- (d) The number of estimated hours for each individual named above
- (e) History of work experience with the agency including initial year of employment, experience with similar projects and names and contact information of project coordinators to contact as references

If an Offeror intends to use subcontractors, the Offeror must identify in the proposal the work the subcontractors will perform. (See Section 7.08, *Subcontractors*, for more information pertaining to requirements with the use of subcontractors.)

6.07

Cost Proposal

Cost proposals must include an itemized list of all direct and indirect costs associated with the performance of the contract (See Attachment 4).

All costs associated with the contract must be stated in U.S. currency. Any commodities being imported must be identified, and the price must include any applicable customs, brokerage agency fees, and duties.

Offerors should describe any discounts terms for prompt payment. Discounts for prompt payment will not be considered in evaluating cost.

Offerors must prepare a cost proposal following the format and information provided in Attachment 4.

6.08

Required Attachments

Offerors must provide all documents, samples, or other information specifically required in this RFP.

SECTION SEVEN STANDARD PROPOSAL INFORMATION

7.01

Authorized Signature

An individual authorized to bind the Offeror to the provisions of the RFP must sign all proposals.

7.02

State Not Responsible for Preparation Costs

The State will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

7.03

Conflict of Interest

Offerors must disclose any instances where the firm or any individuals working on the contract has a possible conflict of interest and, if so, the nature of that conflict (e.g. employed by the State of North Dakota). The State reserves the right to cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the Offeror's proposal. The State's determination regarding any questions of conflict of interest is final.

7.04

Offeror's Certification

By signature on the proposal, an Offeror certifies that it complies with:

- a) the laws of the State of North Dakota;
- b) North Dakota Administrative Code;
- c) all applicable local, state, and federal laws, code, and regulations;
- d) the applicable portion of the Federal Civil Rights Act of 1964;
- e) the Equal Employment Opportunity Act and the regulations issued by the federal government;
- f) the Americans with Disabilities Act of 1990 and the regulations issued by the federal government;
- g) all terms, conditions, and requirements set forth in this RFP;
- h) a condition that the proposal submitted was independently arrived at, without collusion;
- i) a condition that the offer will remain open and valid for the period indicated in this solicitation; and
- j) a condition that the firm and any individuals working on the contract do not have a possible conflict of interest (e.g. employed by the State of North Dakota).

If any Offeror fails to comply with the provisions stated in this paragraph, the State reserves the right to reject the proposal, terminate the contract, or consider the contractor in default.

7.05

Offer Held Firm

Proposals must remain open and valid for at least 180 days from the deadline specified for submission of proposals. In the event award is not made within 180 days, the State will send a written request to all Offerors deemed susceptible for award asking Offerors to hold their price firm for a longer specified period of time.

7.06

Amendments to Proposals and Withdrawals of Proposals

Offerors may amend or withdraw proposals prior to the deadline set for receipt of proposals. No amendments will be accepted after the deadline unless they are in response to the State's request. After the deadline, Offerors may make a written request to withdraw proposals and provide evidence that a substantial mistake has been made. The Procurement Officer may permit withdrawal of the proposal upon verifying that a substantial mistake has been made.

7.07

Alternate Proposals

In addition to the proposal submitted in response to this RFP, Offerors may also submit alternate proposals (proposals that offer something different than what is requested). Alternate proposals must be clearly identified as such and will be evaluated using the same evaluation criteria.

7.08

Subcontractors

Subcontractors may be used to perform work under this contract. If an Offeror intends to use subcontractors, the Offeror must identify in the proposal the portions of the work the subcontractors will perform.

If a proposal with subcontractors is selected, the Offeror must provide the following information concerning each prospective subcontractor within five working days of identifying said subcontractors.

- (a) complete name of the subcontractor;
- (b) complete address of the subcontractor;
- (c) type of work the subcontractor will be performing;
- (d) percentage of work the subcontractor will be providing;
- (e) evidence, as set out in the relevant section of this RFP, that the subcontractor is registered and, if applicable, holds a valid North Dakota business license; and
- (f) a written statement, signed by each proposed subcontractor, that clearly verifies that the subcontractor is committed to render the services required by the contract.

An Offeror's failure to provide this information, within the time set, may cause the State to consider its proposal non-responsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the Program Manager designated by the State.

7.09

Joint Ventures

Joint ventures are acceptable. If submitting a proposal as a joint venture, the Offeror must submit a copy of the joint venture agreement that identifies the principles involved and its rights and responsibilities regarding performance and payment.

7.10

Disclosure of Proposal Contents and Compliance with North Dakota Open Records Laws

All proposals and other material submitted become the property of the State and may be returned only at the State's option. All proposals and related information, including detailed cost information, are exempt records and will be held in confidence until an award is made, in accordance with N.D.C.C. § 54-44.4-10(2).

Offerors may make a written request that trade secrets and other proprietary data contained in proposals be held confidential. Material considered confidential by the Offeror must be clearly identified, and the Offeror must include a brief statement that sets out the reasons for confidentiality. See the North Dakota Office of the Attorney General website for additional information. <http://www.ag.state.nd.us/OpenRecords/ORM.htm>

After award, proposals will be subject to the North Dakota open records law. Records are closed or confidential only if specifically stated in law. If a request for public information is received, the Procurement Officer, in consultation with the Office of the Attorney General, will determine whether the information is an exception to the North Dakota open records law, and the information will be processed appropriately.

7.11

Evaluation of Proposals

All proposals will be reviewed to determine if they are responsive to the requirements of this solicitation. The Procurement Officer and an evaluation committee will evaluate responsive proposals. The evaluation will be based solely on the evaluation factors set forth in this RFP.

7.12

Right of Rejection

The State reserves the right to reject any proposals, in whole or in part. Proposals received from debarred or

suspended vendors will be rejected. The Procurement Officer may reject any proposal that is not responsive to all of the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of the State. If an Offeror does so, the Procurement Officer may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

The Procurement Officer may waive minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are insignificant, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision,

The State reserves the right to reject any proposal determined to be not responsive, and to reject the proposal of an Offeror determined to be not responsible. The State also reserves the right to refrain from making an award if it determines it to be in its best interest.

7.13

Clarification of Offers

In order to determine if a proposal is reasonably susceptible for award, communications by the Procurement Officer or the proposal evaluation committee are permitted with an Offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal and determine responsiveness to the RFP requirements. Clarifications may not result in a material or substantive change to the proposal. The initial evaluation may be adjusted because of a clarification under this section.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

7.14

Discussions and Best and Final Offers

The State may conduct discussions or request best and final offers with Offerors that have submitted proposals determined to be reasonably susceptible for award. The State is not obligated to do so, therefore, vendors should submit their best terms (cost and technical). The purpose of these discussions is to ensure full understanding of the requirements of the RFP and the Offeror's proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the Procurement Officer. Discussions, if held, will be after initial evaluation of proposals by the proposal evaluation committee. If modifications to the proposal are made as a result of these discussions, the modifications must be put in writing.

Offerors with a disability needing accommodation should contact the Procurement Officer prior to the date set for discussions so that reasonable accommodation can be made.

7.15

Preference Laws

The preference given to a resident North Dakota Offeror will be equal to the preference given or required by the state of the nonresident bidder. A "resident" North Dakota bidder, Offeror, seller, or contractor is one that has maintained a bona fide place of business within this State for at least one year prior to the date on which a contract was awarded. For a listing of state preference laws, visit the following website:

http://egov.oregon.gov/DAS/PFSS/SPO/reciprocal_detail.shtml or contact the North Dakota State Procurement Office at 701-328-2683.

7.16

Contract Negotiation

After final evaluation, the Procurement Officer may negotiate with the Offeror of the highest-ranked proposal. Negotiations, if held, will be within the scope of the request for proposals and limited to those items that would not have an effect on the ranking of proposals. If the highest-ranked Offeror fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the State may terminate negotiations and negotiate with the Offeror of the next highest-ranked proposal.

If contract negotiations are commenced, they will be held by telephone, e-mail or at:

**North Dakota Department of Human Services
State Capitol Building
600 East Boulevard Ave.
Judicial Wing, Third Floor, Room 309
Bismarck, ND**

If contract negotiations are held, the Offeror will be responsible for all cost including its travel and per diem expenses.

7.17

Notice of Intent to Award - Offeror Notification of Selection

After the completion of contract negotiation the Procurement Officer will issue a written Notice of Intent to Award and send copies to all Offerors. The Notice of Intent to Award will set out the names and addresses of all Offerors and identify the proposal selected for award. The scores and placement of other Offerors will not be part of the Notice of Intent to Award.

The successful Offeror named in the Notice of Intent to Award is advised not to begin work, purchase materials, or enter into subcontracts relating to the project until both the successful Offeror and the State sign the contract.

7.18

Protest and Appeal

North Dakota law provides that an interested party may protest a solicitation. If an interested party wishes to protest the content of this RFP, the protest must be received, in writing, by the Procurement Officer at least seven calendar days before the deadline for receipt of proposals.

An interested party may protest the award or proposed award of a contract. If an Offeror wishes to protest the award of a contract or proposed award of a contract, the protest must be received, in writing, by the Procurement Officer within seven calendar days after the date the Notice of Intent to Award was issued.

SECTION EIGHT ATTACHMENTS

8.01

Attachments

Attachments

1. RFP Definitions
2. Coordination Document
3. Contract
4. Cost Proposal Format
5. Data

ATTACHMENT 1

RFP DEFINITIONS

Co-morbidity – The coexistence of two or more disease processes.

Disease management – A set of interventions designed to improve the health of individuals, especially those with chronic diseases. Health management program services include: (1) evidence-based practice guidelines, (2) collaborative practice models to include physician and support-service providers, (3) patient self-management education (may include primary prevention, behavior modification programs, and compliance/surveillance), (4) process and outcomes measurement, evaluation, and management, (5) routine reporting/feedback loop (may include communication with patient, physician, health plan and ancillary providers, and practice profiling).

Fee-for-service (FFS) – A method of reimbursement based on payment for specific services rendered to a Recipient.

Managed care – A system of health care that combines delivery and payment and influences utilization of services by employing management techniques designed to promote the delivery of cost-effective health care.

Performance indicators – Statistics or other units of information that reflect, directly or indirectly, the performance of the health management program in improving the health of its target population.

Predictive modeling – A process used in predictive analytics to create a statistical model of future behavior. Predictive analytics is the area of data mining concerned with forecasting probabilities and trends. A predictive model is made up of a number of *predictors*, variable factors that are likely to influence future behavior or results. In health management, for example, analyzing Recipient data including gender, age, and claims history may predict the likelihood of disease.

Prepaid Ambulatory Health Plan (PAHP) – An entity that: (1) provides medical services to members under contract with the State agency, and on the basis of prepaid capitation payments, or other payment arrangements that do not use State plan payment rates, (2) does not provide or arrange for and is not otherwise responsible for the provision of any inpatient hospital or institutional services for its members, and (3) does not have a comprehensive risk contract.

Syndromic surveillance – A system of electronic surveillance used to improve early detection of outbreaks, both naturally occurring and attributable to biologic terrorism.

ATTACHMENT 2

COORDINATION WITH PROVIDERS, CONTRACTORS, PROGRAMS AND OTHER STAKEHOLDERS

For success of the health management program, it is very important that the Offeror work closely with: (1) medical providers throughout the State, (2) contractors of the North Dakota Department of Human Services (Department), (3) other Department programs, and (4) other stakeholders, to avoid duplication of effort and to provide seamless service delivery through appropriate coordination. (The information below is not all-inclusive of the programs, services or activities provided through the Department.)

Providers. The Offeror will engage appropriate support and participation from the medical community and assure that the health management program does not interfere with the success of the Medicaid PCCM program, other programs run by the Department (see below) or already existing outreach and education to the provider community.

Contractors. The Department has contracts with many business associates. The Offeror will coordinate and interact with these associates to meet the goals of the program. The Offeror must assure a seamless operation with these associates and their systems.

Dual Diagnosis Management, LLC (Dual Diagnosis) – Dual Diagnosis provides preadmission screening and resident review evaluations for each individual entering a nursing facility. They also perform level of care determination for Medicaid eligible individuals or applicants requesting services in a Medicaid certified nursing facility or swing bed and services through personal care or the Home- and Community-Based Service waiver. In addition, Dual Diagnosis conducts continued stay reviews on individuals whose initial screening exhibits potential for medical improvement to the extent that discharge to a less restrictive setting may be appropriate.

Dual Diagnosis fulfills certificate of need (CON, under 21) requirements, admission reviews and continued stay reviews for acute inpatient psychiatric services and for services provided by psychiatric residential treatment facilities and non-accredited residential treatment centers.

Health Information Designs, Inc. (HID) – HID provides retrospective drug utilization review (DUR) services through RX Explorer and DURBaseII software. They also provide ongoing technical assistance for DUR activities.

North Dakota Healthcare Review, Inc. (NDHCRI) – NDHCRI provides inpatient and outpatient hospitalization utilization review as required by federal regulations to assure that Recipients are only receiving the hospital care necessary to meet their medical needs. This is accomplished through retrospective, concurrent and preadmission utilization review, quality review studies, data analysis and special studies.

The Medstat Group, Inc. (Medstat) – Medstat is the Decision Support System (DSS) vendor, a component of the current Medicaid Management Information System (MMIS). Medstat designed the current DSS. Medstat also completed the installation and training for the DataProbe system that allows Medicaid staff to analyze medical claims and enrollment data. Medstat also provides ongoing data analysis and support as requested by the Department.

Programs. The Offeror will be required to coordinate the health management program with other programs administered through the Department as described below.

Health Tracks (formerly Early and Periodic Screening, Diagnosis and Treatment [EPSDT]) – *Health Tracks* is a preventive health program that is free to Medicaid-eligible children age 0 to 21. Program coordinators are located at local public health units in the larger cities throughout the State and services are conducted through contracted Head Start programs and local public health units. *Health Tracks* pays for screening, diagnosis and treatment services, orthodontics, glasses, hearing aids, vaccinations, counseling and other important health services. Program coordinators are available to assist with scheduling appointments for services and will also help with finding transportation to the services. Some services require prior authorization.

Targeted Case Management (TCM) for High-Risk Pregnant Women and Infants – This is a Medicaid program provided as a service under the Medicaid State Plan. The goals of the TCM program are to:

- Provide early and continuous prenatal care;
- Identify risk factors and develop a plan to lessen the risks;
- Connect women to support services that will contribute to a healthy baby;
- Improve current and long-term life situations;
- Enhance the maternal life course, such as employment and education; and
- Improve child health by promoting preventive health services, such as immunizations and well-baby checkups.

Additional TCM program information can be found at the following link.

<http://www.nd.gov/humanservices/info/pubs/docs/cshs/health-data-notes-march2004.pdf>

Ambulatory Behavioral Health Programs (Adults, Adolescents and Children) – This is a Medicaid program that exists to assure that ambulatory behavioral health services are appropriate to each individual's symptoms according to Medicaid established protocols and medical criteria and are neither over- nor under-utilized. More information on these programs can be found at the following links to provider manuals.

<http://www.nd.gov/humanservices/services/medicalserv/medicaid/docs/am-beh-health-care-adults-jan2005.pdf> (Adults)

<http://www.nd.gov/humanservices/services/medicalserv/medicaid/docs/am-beh-health-care-children-jan2005.pdf> (Children and Adolescents)

Home- and Community-Based Services (HCBS) – The Department provides HCBS through several programs.

- Service Payments for the Elderly and Disabled Program (SPED)
- Expanded Service Payments for the Elderly and Disabled Program (Ex-SPED)
- Medicaid Waiver for the Aged and Disabled
- Medicaid Waiver for People With Traumatic Brain Injuries
- Older Americans Act Services

For more information on these programs, go to the following link to the Department's website:

<http://www.nd.gov/humanservices/services/adultsaging/homecare.html>.

Children's Special Health Services (CSHS) – CSHS provides services for children with special health care needs and their families and promotes family-centered, community-based, coordinated services and systems of health care. Though CSHS exercises discretion in defining the population eligible for services, the following programs address many of the needs experienced by children and families: (1) specialty care program, (2) multidisciplinary clinic program, and (3) care coordination program. CSHS also provides other services not described in this paragraph. For additional information regarding CSHS, go to the following Department website: <http://www.nd.gov/humanservices/services/medicalserv/cshs/>. This website includes a list of multidisciplinary clinics, including diabetes and asthma clinics, to be conducted in the State in 2006. The Offeror should become familiar with these clinics for coordination purposes.

Other Services – The Department also provides for specialized services for the following groups:

- Recipients with developmental disabilities
- Recipients with mental illness
- Children at risk of abuse and neglect

Other Stakeholders. The Offeror should consider a regional approach to the health management program, hiring or contracting with nurse case managers in the larger cities across the state to serve a multi-county region. For example, a nurse case manager in Fargo may provide services to Cass, Traill, Steele, Richland, Sargent and Ransom county Recipients. The Offeror should also consider establishing and maintaining Regional Advisory Committees (RACs) in each region to serve as program advisors and provide a formal structure for the exchange of ideas between program staff and the communities to which they provide services. Each RAC could consist of stakeholders

including a Recipient and their representatives, county social service center eligibility staff, health care providers, local public health units, community agencies and community leaders. Focus areas for the RACs may be health education/literacy, marketing and outreach, service delivery and quality assurance.

ATTACHMENT 3

CONTRACT

CONTRACT #

PURCHASE OF SERVICE AGREEMENT

WHEREAS, the State of North Dakota, acting through its North Dakota Department of Human Services, Medical Services Division (State), has determined the services referred to in the paragraph below entitled "Scope of Service" should be purchased; and

WHEREAS, [VENDOR NAME AND ADDRESS], (Vendor) proposes to provide those services;

NOW, THEREFORE, the State and Vendor enter into the following:

I. TERM OF THE AGREEMENT

The term of this agreement shall be from the ____ day of _____ 200__ through the ____ day of _____ 200__. However, this agreement may be terminated with or without cause by either party giving the other party thirty (30) days prior written notice.

II. SCOPE OF SERVICE

The Vendor agrees to provide

III. COMPENSATION

The State, upon written request of the Vendor, agrees to pay the Vendor \$_____ for completing the scope of service. Total payment under the terms of this agreement shall not exceed \$_____. Final payment requests shall be submitted to the State no later than thirty (30) days after the expiration of this agreement.

IV. VENDOR'S UNDERSTANDING OF TERM OF FUNDING

The Vendor understands that this agreement is a one-time agreement, and acknowledges that it has been furnished no assurances that this agreement may be extended for periods beyond its termination date.

V. VENDOR ASSURANCES

This agreement shall be construed according to the laws of the State of North Dakota. In connection with the furnishing of supplies or performance of work under this agreement, persons who contract with or receive funds to provide services to the North Dakota Department of Human Services are obligated and agree to comply with all local, state and federal laws, regulations and executive orders related to the performance of this agreement including but not limited to the following: Fair Labor Standards Act, Equal Pay Act of 1963, Titles VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the North Dakota Human Rights Act, the Drug Abuse Prevention Treatment and Rehabilitation Act of 1970, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, Alcohol, Drug Abuse and Mental Health Administration Reorganization Act of 1992, the

Pro-children Act of 1994 and the Drug-free Workplace Act of 1988. Questions regarding the provision of services according to these Acts may be directed to Krista L. Andrews, Contract Officer, North Dakota Department of Human Services, Judicial Wing, State Capitol, 600 E. Boulevard, Bismarck, ND 58505 (701-328-2311 or 701-328-3975 TDD).

The Vendor certifies by signing this agreement that neither the Vendor, Subcontractor, nor their principals, are presently debarred, declared ineligible or voluntarily excluded from participation in transactions with the State or Federal Government by any Department or Agency of the Federal Government.

Vendor shall be an approved vendor with the Office of Management and Budget within the State of North Dakota as required by NDCC § 54-44.4-09.

VI. AUTHORITY TO CONTRACT

The Vendor shall not have the authority to contract for or on behalf of or incur obligations on behalf of the State. However, the Vendor may subcontract with qualified Vendors of services provided that any such subcontract shall acknowledge the binding nature of this agreement, and incorporate this agreement, together with its attachments as appropriate. The Vendor agrees to be solely responsible for the performance of any subcontractor.

VII. INDEPENDENT ENTITY

The Vendor shall perform as an independent entity under this agreement. The Vendor, its employees, agents, or representatives are not employees of the State for all purposes, including but not limited to, the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the Federal Unemployment Act, the North Dakota Unemployment Compensation Law, and the North Dakota Workers' Compensation Act. No part of this agreement shall be construed to represent the creation of an employer/employee relationship. The Vendor will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Vendor's activities and responsibilities under this agreement.

VIII. NONPERFORMANCE

Failure by the Vendor to perform the terms of this agreement shall constitute a breach of contract, and shall result in the immediate termination of the agreement. In the event of a termination for breach by the Vendor, the State may retain, as liquidated damages, any payment to be made under this agreement which remains unpaid at the time of the breach, and may also recover from the Vendor, those amounts already paid for individual items of work which are incomplete at the time of the breach.

However, should a breach by the Vendor be caused by circumstances, beyond the control of the Vendor, and no fault of its own, so as to render the agreement impossible of performance by the Vendor, then the agreement shall be terminated. In the event of a breach, by the Vendor, in such circumstances, the State may set off, against any liability or obligations owed to the Vendor, under this agreement or otherwise, any amounts paid for individual items of work which are incomplete at the time of the breach, but shall not be entitled to liquidated damages.

The State shall give written notice, to the Vendor, of the termination, which notice shall specify the effective date thereof.

IX. TERMINATION OF AGREEMENT FOR INADEQUACY OF FUNDS

It is agreed that in the event appropriations to the Department of Human Services are not

obtained and continued at a level sufficient to allow for payments to the Vendor, for the services identified in Paragraph II, the obligations of each party hereunder may be terminated at the option of the State, provided that any such termination shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

X. INDEMNITY

Vendor agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from claims resulting from the performance of the Vendor or its agent, including all costs, expenses and attorneys' fees, which may in any manner result from or arise out of this agreement. The legal defense provided by Vendor to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Vendor also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.

XI. INSURANCE

Vendor shall secure and keep in force during the term of this agreement and Vendor shall require all subcontractors, prior to commencement of an agreement between Vendor and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.
- 4) Employer's liability or "stop gap" insurance of not less than \$1,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- 5) Professional errors and omissions, including a three year "tail coverage endorsement," with minimum liability limits of \$1,000,000 per occurrence and in the aggregate.

The insurance coverages listed above must meet the following additional requirements:

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Vendor.
- 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies shall be in form and terms approved by the State.
- 3) The State will be defended, indemnified, and held harmless to the full extent of any coverage actually secured by the Vendor in excess of the minimum requirements set forth above. The duty to indemnify the State under this agreement shall not be limited by the insurance required in this agreement.
- 4) The State of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights and coverages of an additional insured under these policies.

- 5) The insurance required in this agreement, through a policy or endorsement, shall include:
 - a) a "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State;
 - b) a provision that the policy and endorsements may not be canceled or modified without thirty days' prior written notice to the undersigned State representative;
 - c) a provision that any attorney who represents the State under this policy must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08;
 - d) a provision that Vendor's insurance coverage shall be primary (i.e. pay first) as respects any insurance, self-insurance or self-retention maintained by the state and that any insurance, self-insurance or self-retention maintained by the State shall be in excess of the Vendor's insurance and shall not contribute with it;
 - e) cross liability/severability of interest for all policies and endorsements;
- 6) The legal defense provided to the State under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary.
- 7) The Vendor shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable.
- 8) Failure to provide insurance as required in this agreement is a material breach of contract entitling the State to terminate this agreement immediately.

XII. ACCESS TO BOOKS AND RECORDS

The State, federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of the Vendor which are pertinent to the services provided under this agreement for the purpose of making an audit, examination, or making excerpts and transcripts. This documentation shall be available for a period of three (3) years from the date of submission of the final expenditures report.

XIII. NOTICE

Any notice required or permitted to be given pursuant to this agreement may be personally served on either party by the party giving such notice, or may be served by certified mail, return receipt requested, addressed to the executive office of the party upon whom service is made.

XIV. INTEGRATION AND MODIFICATION

This contract constitutes the entire agreement between the Vendor and the State. No alteration, amendment, or modification in the provisions of this agreement shall be effective unless it is reduced to writing, signed by the parties and attached hereto.

XV. COLLATERAL CONTRACTS

Where there exists any inconsistency between this agreement and other provisions of collateral contractual agreements which are made a part of this agreement by reference or otherwise, the provisions of this agreement shall control.

XVI. APPLICABLE LAW

This agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

XVII. ASSIGNMENT

Neither Party shall assign this agreement and rights without the written approval of the other Party. Such approval shall not be unreasonably withheld. This agreement shall be equally binding on the respective Parties, their successors and assigns.

XVIII. CONFIDENTIAL INFORMATION

The Vendor agrees not to use or disclose any information it receives from the State under this agreement that is confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this agreement or as authorized in advance by the State. The State agrees not to disclose any information it receives from the Vendor which the Vendor has previously identified as confidential and which the State determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota open records law, North Dakota Century Code § 44-04-18. The duty of the State and the Vendor to maintain confidentiality of information under this section continues beyond the term of this agreement, including any extensions or renewals.

XIX. OWNERSHIP OF WORK PRODUCT

All work product, equipment or materials created or purchased under this agreement belong to the State and must be delivered to State at State's request upon termination of this agreement. Vendor agrees that all materials prepared under this agreement are "works for hire" within the meaning of copyright laws of the United States and assigns to the State all rights and interests Vendor may have in the materials it prepares under this agreement, including any right to derivative use of the material. Vendor shall execute all necessary documents to enable the State to protect its rights under this section. Use of work product or materials for purposes other than the scope of this agreement must be approved in writing by the State.

XX. COMPLIANCE WITH PUBLIC RECORDS LAWS

Vendor understands that, except for disclosures prohibited in Section XVIII, the State must disclose to the public upon request any records it receives from Vendor. Vendor further understands that any records which are obtained or generated by the Vendor under this agreement, except for records that are confidential under Section XVIII, may, under certain circumstances, be open to the public upon request under the North Dakota open records law. Vendor agrees to contact the State immediately upon receiving a request for information under the open records law and to comply with the State's instructions on how to respond to the request.

XXI. ATTORNEY FEES

In the event a lawsuit is instituted by the State to obtain performance due to any kind under this agreement, and the State is the prevailing party, Vendor shall, except when prohibited by N.D.C.C. § 28-26-04, pay the State's reasonable attorney fees and costs in connection with the lawsuit.

XXII. ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL

The State does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. The State does not waive any right to a jury trial.

[VENDOR]

By _____ DATE _____

Its _____
(TITLE)

Vendor's Federal Identification Number

STATE OF NORTH DAKOTA

NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES

By _____ DATE _____
CAROL K. OLSON
EXECUTIVE DIRECTOR

By _____ DATE _____
KRISTA L. ANDREWS
CONTRACT OFFICER

ATTACHMENT 4

COST PROPOSAL FORMAT

Note: Cost proposals will be evaluated using the following formula.

Price of Lowest Cost Proposal

Price of Proposal Being Rated x Total Points for Cost Available (5 points) = Awarded Points

(1) Cost Proposal for the Health Management Program (July 1, 2006-June 30, 2007)

(a) Document direct costs separately for each of the following areas: (1) program “start up” (one-time costs associated with program development and rollout that won’t be incurred in subsequent years), (2) the THIL, (3) DM, (4) marketing/outreach, including a line-item cost for website development, and (5) other expenses.

Direct cost categories are: (1) personnel (include each staff member assigned to the program, the estimated percentage of time to be worked by each assigned staff member and the applicable salary), (2) fringe benefits, (3) travel (include transportation, lodging, and per diem costs sufficient to pay for travel to and/or within North Dakota as needed to accomplish program activities), (4) equipment, (5) supplies, (6) contractual (include subcontracts involved with each area) and (7) other expenses (include any in-State office rent for program staff).

(b) Document indirect costs association with program development, implementation and maintenance through the contract period. Include overhead and profit.

(c) List any applicable prompt payment discount terms.

(2) Cost Proposal for the Expanded Health Management Program (July 1, 2007-June 30, 2008)

Document direct (using direct cost categories in #1) and indirect costs associated with the expanded program over a one-year period. Costs do not have to be documented separately as requested in #1.

ATTACHMENT 5

DATA

North Dakota Department of Human Services Disease Management – Conditions

Services Incurred Fiscal Year (FY) 2005 (July 1, 2004 to June 30, 2005)
Paid Through December 2005

Flag for Single Condition	Number of Unique Recipients	Total Amount Paid	Percent of Total Cost	Cost Per Recipient
Asthma	1,484	\$7,954,397	3.4%	\$5,360
CHF	341	\$4,163,830	1.8%	\$12,211
COPD	532	\$5,572,661	2.4%	\$10,475
Depression	2,238	\$21,834,492	9.4%	\$9,756
Diabetes	591	\$3,859,774	1.7%	\$6,531
Obesity	725	\$4,793,401	2.1%	\$6,611
Subtotal	5,911	\$48,178,555	20.8%	\$8,151
Multiple Disease Flags	1,496	\$21,799,771	9.4%	\$14,572
Total with Disease Flags	7,407	\$69,978,326	30.2%	\$9,448
No Disease Flags	57,225	\$161,855,173	69.8%	\$2,828
TOTAL ALL RECORDS	64,632	\$231,833,500	100%	\$3,587

North Dakota Department of Human Services Populations Excluded from the Health Management Program

Services Incurred FY 2005 (July 1, 2004 to June 30, 2005)
Paid Through December 2005

Category of Service/Medical Condition	Number of Recipients	Total Amount Paid*	Percent of Total Costs	Cost Per Recipient
ICF-MR Services	259	\$22,515,401	43%	\$86,932
Hospice Services	222	\$788,427	1%	\$3,551
Nursing Home Services	2,332	\$15,983,667	30%	\$6,854
HIV/AIDS Only	21	\$42,387	0%	\$2,018
HIV/AIDS with Cancer	4	\$80,430	0%	\$20,107
End State Renal Disease (ESRD) Only	261	\$674,666	1%	\$2,585
ESRD with Cancer	25	\$431,729	1%	\$17,269
Transplants with ESRD	2	\$11,356	0%	\$5,678
Cancer Only	835	\$5,568,774	11%	\$6,669
TOTAL	3961	\$46,096,837	87%	\$11,638
All Costs Incurred for Recipients in FY 2005		\$52,783,361	100%	

*Excludes all Recipients who are dual eligible (eligible for both Medicaid and Medicare).